

April 2011 Seismic Acquisition Program

From 4 April 2011 to 16 April 2011 Tri-Star undertook its initial seismic acquisition program. This program was designed to determine the location of the Permian coal within the Purni Formation as they approach the basin edge. The program consisted of a 32.71 kilometre seismic line, PB04, as shown in Figure 6. Tri-Star had hoped to undertake a more extensive seismic acquisition program commencing in April 2011; however, poor weather conditions in the southern Northern Territory areas and contractor unavailability prevented this from occurring.

The seismic acquisition work was completed by Terrex Seismic Pty Ltd. Tri-Star also contracted Trafalgar Exploration Services Inc. ("Trafalgar") to provide infield processing services for this program. Mr. Carl Goldwater of Petro-Ventures Inc. in Houston, Tri-Star's geophysical consultant, was engaged to supervise processing techniques and results.

The seismic line for the April 2011 program ran along Finke Road from Finke community to the Finke River Crossing. Traffic Werx NT, sub-contractors of Terrex, were engaged to provide a Traffic Management Plan and traffic management services for the duration of the program. Approval was sought and obtained from the Department of Construction and Infrastructure to conduct activities along Finke Road, which has a very low traffic volume. The seismic activities were conducted in 5 kilometre sections, with advanced warning signage installed whilst works were in place. A traffic

controller was also positioned onsite to slow traffic and to ensure that any traffic followed the right detour path around activities.

After processing by Trafalgar, the seismic data showed strong reflectors coming updip as they trend west northwest towards the Basin edge. The reflectors represent coal, as coal is a low density material that readily appears on seismic. The new seismic can be tied to previous lines that cover the deeper Purni coals, in which drilling identified more than 100 meters of net coal thickness. The reflectors seen in the western Pedirka are analogous to coal reflectors deeper in the Basin. These new results were greatly encouraging, as it validated Tri-Star's exploration rationale for applying for the acreage covered by EL 24899, 24900, 24901, 24902, 24903, 24904, 24913, 24914, 26045, 27219, 27347 and 27348. The results proved that the Purni coals are present on the west side of the Basin, and not confined to the eastern half. The findings also showed that the coals are shallow and continuous, and are therefore immediately prospective for further exploration and development. Based on these encouraging preliminary findings, Tri-Star is aggressively identifying the most prospective areas by expanding the exploration budget and scope of activities, which will cover the entirety of the western half of the Pedirka Basin.